

August 13, 2007

To: Foundation Board of Directors

Fr: Shelley Luce

Re: Administrative Spending Limit on Foundation Credit Card

Actions Requested of the Foundation Board of Directors:

Increase, from \$200 to \$1,000, the spending limit for staff administrative use of the Foundation credit card. Such spending would be limited to supplies, recurring expenses (such as monthly bills), and equipment (such as computers).

Background

The existing Foundation Policies & Procedures provides a \$200 limit for spending on “small-dollar commodities and supplies.” It can be reasonably assumed that this was intended to provide flexibility for spending on administrative costs, such as bills, regularly-used supplies, etc.

However, upon practical application of this limit, staff has determined that the established limit of \$200 prevents a practical application of the card. Under the existing limit, staff would be unable to purchase computer hardware or software or other types of equipment that are cheaper and more efficient to purchase using a credit card online. Buying these items could take weeks or months to request and receive quotes, PO’s, invoices, and credit line approvals. To ensure that staff is operating efficiently and in compliance with the Policies & Procedures, staff recommends the limit be raised to \$1,000.

Note that, as a matter of course, the full balance of the credit card is reviewed and paid monthly.

The current credit card policy in the Policies & Procedures Manual states:

*C. Employee Credit Card*

*The SMBRF issued Associate credit cards can only be used for:*

- 1. Small-dollar commodities and supplies. (Under \$200)*
- 2. Internet purchases provided the Internet site is secure and the Cardholder obtains a receipt for the item(s) purchased.*
- 3. Traveler's overnight lodging, bed tax, car rental and related fuel, hotel parking, documented and itemized business expenses (i.e. copying, faxing, Internet connectivity, etc.) and food.*

4. *All SMBRF issued credit cards will have a \$5,000 limit.*

*The SMBRF employee issued credit card can NOT be used for:*

1. *ATM and bank transactions*
2. *Guest travel related expenses*
3. *Personal expenditures*

*If the Cardholder believes any fraud or malfeasance has occurred related to the SMBRF issued credit card it is the Cardholders responsibility to notify SMBRF management or accounting immediately. Violations in adherence to the SMBRF employee credit card policy may result in requests to reimburse for inappropriate expenditures and/or card revocation.*

Staff recommends replacing the existing language in line item 1 with the following:

1. ***Purchases of supplies, recurring expenses (ie. Cell phone bill), and equipment not to exceed \$1,000 per transaction. SMBRF employees are prohibited from “splitting invoices” to the same vendor in order to circumvent this limitation.***

**Resolution Authorizing a Change to Foundation Policies & Procedures  
Authorizing an Increase in Administrative Spending Credit Limit**

WHEREAS, the Foundation's Policies & Procedures regarding use of the Foundation credit card by staff are intended to provide practical use of the card by staff for various administrative costs, yet also maintain a degree of oversight by the Foundation Board of Directors; and

WHEREAS, upon actual application of the existing procedures, it has been determined that there is inadequate flexibility for staff administrative use, due to the actual costs of necessary supplies and administrative services; and

WHEREAS, the Foundation Board of Directors desires to maintain reasonable oversight, but provide staff with practical administrative capabilities with regard to credit card use;

NOW, THEREFORE, BE IT RESOLVED that the Santa Monica Bay Restoration Foundation Board of Directors hereby amends the Foundation's Policies & Procedures regarding administrative credit card use as follows:

**C. Employee Credit Card**

The SMBRF issued Associate credit cards can only be used for:

~~5. Small dollar commodities and supplies. (Under \$200)~~

- a. Purchases of supplies, recurring expenses (ie. monthly bills), and equipment not to exceed \$1,000 per transaction. SMBRF employees are prohibited from "splitting invoices" to the same vendor in order to circumvent this limitation.

The foregoing resolution was passed by the Santa Monica Bay Restoration Foundation this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signed:\_\_\_\_\_

Date:\_\_\_\_\_